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January 17, 2003

To: Select County Superintendents of Schools, County Auditors, and County Treasurers

From: Janet Sterling, Director
School Fiscal Services Division

Subject: Notice of the Recertified Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program, and Economic Impact Aid, Fiscal Year 2002-03

This apportionment, in the amount of \$1,179,130,232, is made from funds provided in the 2002 Budget Act (Chapter 379, Statutes of 2002), and Assembly Bill (AB) 2781 (Chapter 1167, Statutes of 2002). These funds support the Pupil Transportation (Special Purpose), the School Improvement Program (SIP), and Economic Impact Aid (EIA) programs. This apportionment recertifies SIP and EIA funding for districts in a limited number of counties, while funding for all other counties remains the same as in the December 13, 2002, certification.

Note that the 2002-03 levels of funding for Pupil Transportation and SIP are reduced from prior year levels. In addition, the allocation process requires that the 2002-03 funds for these programs be apportioned in the months September through March with just over fourteen (14) percent, or one-seventh, of the annual entitlement apportioned in each month. The January 2003 apportionment will bring the amount "paid to date" to 71.4285 percent, or five-sevenths of the annual entitlement. Funds to be apportioned in February through March 2003 will equal the remaining two-sevenths of the total annual entitlement.

Local educational agencies (LEAs) will receive one hundred percent of the total annual entitlement for Pupil Transportation and SIP by March 31, 2002. No funds will be distributed in April, May and June. However, the Legislature already has appropriated special Pupil Transportation and SIP funds for 2003-04, to be allocated in July 2003. The July 2003 apportionment equals about 27 percent of the combined 2003-04 special apportionment and 2002-03 funding for these two programs.

Apportionments to LEAs for EIA will follow the traditional special purpose formula of 10 percent monthly for the 10 months of September 2002 through June 2003. The apportionment for January 2003 equals 50 percent of the annual entitlement, less funds previously apportioned through December 2002.

The Summary of Apportionment and the Monthly Payment Schedule show subtotals for the SIP, EIA and Transportation funds. The State Controller will issue one warrant for the total payment of this apportionment.

Notice, Summary, and Exhibits Enclosed

- A. Notice of the Recertified Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program and Economic Impact Aid, Fiscal Year 2002-03
- B. Schedules of Apportionments-Computer Printout Tabulations
 - 1. School Improvement Program – Exhibit II
 - 2. Economic Impact Aid Program – Exhibit III
- C. Summary of Apportionments by County
- D. Monthly Payment Schedule

Program Notes

Pupil Transportation – There has been no change to the annual entitlement previously certified.

School Improvement Program (SIP) – The SIP apportionment has been recertified for five counties: Los Angeles, Orange, Sacramento, Sonoma, and Stanislaus. For all other counties, there has been no change to the annual entitlement previously certified.

In Exhibit II, the amounts in the column entitled “Amount for Each Participating District” should be credited to the account of school districts indicated in the first column. The list of member school districts in cooperatives (second column) and the amount of entitlement for these school districts (third column) provide information for county superintendents of school districts involved in cooperative programs.

There is no restriction on the amount of School Improvement Program funds that may be carried over from year to year. For standardized account code structure (SACS) coding, use Resource Codes 7260, School Improvement Program-Grades K to 6, and 7265, School Improvement Program Grades 7 to 12 (Optional Code). All grades K-12 use Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, use Income Account Code 8344, School Improvement Program.

Economic Impact Aid (EIA) – The EIA apportionment has been recertified for five counties: Contra Costa, Los Angeles, Nevada, Sacramento, and San Diego. For all other counties, there has been no change to the annual entitlement previously certified.

In Exhibit III, the amounts in the column entitled “Amount for Each Participating District” should be credited to the account of school districts or LEAs indicated in the first column.

There is no restriction on the amount of EIA funds that may be carried over from one year to the next. For SACS coding, use Resource Code 7090, Economic Impact Aid, and Revenue Object Code 8311, Other State Apportionments-Current Year. For non-SACS coding, use Income Account Code 8346, Economic Impact Aid.

Supplemental Grants Roll-In – No Supplemental Grant funding is provided in 2002-03. As such, no allocations will be made for Supplemental Grants which contribute to the SIP and EIA and Transportation program selections made pursuant to *Education Code* Section 54761.2 in 2002-03. However, AB 2781, Section 50 (a)(4) appropriates \$ 241,739,000 for a special supplemental grant apportionment in July 2003.

Transportation, SIP and EIA for Charter Schools – Beginning in fiscal year 2002-03, all charter schools, except for certain districts with all schools converting to charter status, are being funded through the charter school block grant funding model pursuant to *Education Code* Section 47633 et seq., which includes categorical block grant funds in lieu of various categorical programs, including SIP and EIA. These block grant funds are allocated as part of the revenue limit Principal Apportionment process. Charter enrollment and average daily attendance will be excluded from district totals when computing the 2002-03 entitlements for SIP and EIA. For purposes of Pupil Transportation, however, *Education Code* Section 47612 deems a charter school to be a school district. As such, to establish base transportation funding for a charter school, the district must determine its cost to transport the charter school students previously served by the district. This will establish the separate transportation funding base for the charter school and result in a corresponding reduction to the district's allowance.

More Information/Questions

County offices of education should notify LEAs in their county of the information included in this apportionment. In addition, this apportionment letter will be posted on the California Department of Education Web site at: <www.cde.ca.gov/fiscal/categorical>. General questions concerning this apportionment may be directed to Ross Valentine (916) 327-4405 or by e-mail at rvalenti@cde.ca.gov. For specific program areas, please contact the School Fiscal Services Division staff as follows:

<u>Program</u>	<u>Contact</u>	<u>Area Code (916)</u>	<u>E-Mail Address</u>
Pupil Transportation	Leslie McCage	324-4537	lmccage@cde.ca.gov
School Improvement	Julie Brucklacher	327-4406	jbruckla@cde.ca.gov
Economic Impact Aid	Ross Valentine	327-4405	rvalenti@cde.ca.gov

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Enclosures